

UNDERTAKING

The, [Authorized Agent Bank], a banking institution organized and existing under the laws of the Republic of the Philippines, with principal office at _____, represented herein by _____, hereby agree and undertake to abide and comply with all the requirements of the Bureau of the Treasury (BTr) relative to the accreditation of the Authorized Agent Banks (AABs) for the collection and remittance of taxes through the Over-the-Counter and the Electronic Filing and Payment System (EFPS), as follows:

1. Provide the Bureau of the Treasury (BTr) viewing, downloading and printing access to its balances of real time account held in the bank, using special communication facilities, to wit:
 - a. the total amount of tax payments accepted or collected on a particular day;
 - b. total amount of daily remittance to BSP;
2. Provide BTr with monthly bank statements either through the viewing facility or through electronic mail transmission;
3. Provide BTr, via electronic mail transmission, the Daily Report on Account Balance in the BTr prescribed format (Annex "A") to be submitted on or before 12:00 noon the following day;
4. Provide an alternative back-up system for viewing balances should there be outages in the regular viewing access;
5. On the date of receipt, credit to the Treasurer of the Philippines' (TOP) deposit account with the **AAB** all BIR collections received by the **AAB**'s Head Office and branches which are authorized by BIR to accept payment of internal revenue taxes;

In case of EFPS, credit all collection of internal revenue taxes to BTr-BIR "Hinged" Account. At the end of each day, zero/close the said "Hinged" account to a liability account "Due to BTr", value-dated on the same day; Provided, that tax collections received on a non-banking day shall be value-dated on the next banking day;
6. Prevent any withdrawal from the deposit account except for the remittance to the account of the TOP with BSP as required in clause 7 below;
7. Authorize Bangko Sentral ng Pilipinas (BSP) to debit its Demand Deposit Account (DDA) corresponding to the total daily tax collection due for remittance after the allowed float period, calendar days, as set by BIR each for OTC and EFPS transactions, counted from date of collection or receipt of internal revenue taxes, such amount to be credited to the Account of TOP with the BSP. In case of Government Financial Institutions-AABs, remit collected taxes to the TOP's existing deposit account with the GFI-AAB: Provided, that if the day of remittance falls on a non-banking day or a holiday, the remittance shall be made on the next banking day;

8. Should the **AAB** fail to remit the total collections to TOP's Account with the BSP as required in the preceding clause, the **AAB** shall pay the interest and/or penalty to the BTr, without prejudice to the penalty due to the BIR, computed as follows:
- (a) if collected taxes are remitted within two (2) days after the allowed float period, pay **interest** computed based on prevailing BSP overnight lending rate;
 - (b) if collected taxes are remitted beyond the second day after the allowed float period, pay **interest** computed based on prevailing BSP overnight lending rate and **penalty** equivalent to five (5%) percent on the unremitted amount.
 - (c) In cases of diversion and willful non-remittance and/or under-remittance of collections, the **AAB** shall pay to BTr penalty equivalent to 1% of the total collections plus interest based on prevailing BSP overnight lending rate, without prejudice to civil and criminal liabilities imposed under the Tax Code, and other laws, rules and regulations implemented by the BIR;

In case of overdraft in the TOP account with the BSP due to late/non-remittance of the amount of collected tax by the **AAB**, pay to BTr overdraft charges equivalent to 36% of the total amount of taxes due for remittance;

Interest computations shall be compounded daily. The computation of the penalty shall be applied on the un-remitted amount of collected taxes;

9. Remit to the TOP's Account with the BSP the interest and penalties as set forth in clause 8;
10. Validate and process electronic payment instructions until 10:00 o'clock in the evening as the daily cut-off-time;
11. Ensure the security and protect the confidentiality of all tax payment and collection data being produced, received and/ or processed by the AAB, through the adoption of, but not limited to, secured access through the use of User ID and Password, data encryption, built-in approval workflow facility, site authentication and network security;
12. Ensure that the AAB concerned will allow viewing access only to authorized individuals with the appropriate security codes;
13. Hold the BTr free and harmless from any and all claims and damages incurred by third persons resulting from the implementation of Revenue Regulation 02-2008, Revenue Memorandum Order No. 11-2008, all pertinent Revenue Regulations and Issuances of the BIR on the implementation of the OTC and EFPS, the Memorandum of Agreement, and all pertinent Treasury Orders and Circulars issued by the BTr on the implementation of the OTC and EFPS;
14. This Undertaking shall take effect on the date of execution hereof and unless earlier revoked, shall remain effective until termination or expiration of the Memorandum of Agreement for Over the Counter

and Electronic Filing and Payment System executed with the Bureau of Internal Revenue and the Bureau of the Treasury.

IN WITNESS WHEREOF, the above-institution has hereunto caused this presents to be signed by its duly authorized representative on this _____ day of _____ 2008 in the City of _____, Philippines.

[Authorized Agent Bank]

By:

President and Chief Executive Officer

Republic of the Philippines)
_____) s.s.

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in the _____ of _____,
Philippines this ____ day of ____ 2008, personally appeared:

Name	CTC	Date and Place Issued
[Authorized Agent Bank] Represented by: _____	_____	_____
In his capacity as _____		

Known to me and to me known to be the same person who executed the foregoing instrument and acknowledge before me that that same is his free and voluntary act and deed in his capacity as authorized representative of the _____ in whose behalf he acknowledges the same.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal on the date and place first above written

Notary public

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2008.

DAILY REPORT ON ACCOUNT BALANCE

Name of the Bank : _____
Account Name : _____
Account Number : _____
As of (Date) : _____
Beginning Balance : _____
Total Debits : _____
Total Credits : _____
Ending Balance : _____